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Sutton Creations, Inc.
d/b/a Sutton Creations

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

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GRANVIA TRADING LTD.,

Plaintiff,

-against-

08 CV 00580 (LBS)

ANSWER OF
DEFENDANT
SUTTON CREATIONS, INC.

SUTTON CREATIONS, INC.
d/b/a SUTTON CREATIONS,

Defendant.

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Defendant Sutton Creations, Inc. d/b/a Sutton Creations (“Sutton Creations”), by its attorneys Matalon & Shweky P.C., for its Answer to the Complaint, alleges:

1. Defendant denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 1 of the Complaint.
2. Defendant admits the allegations contained in paragraph 2 of the Complaint.
3. No response is required to the allegations contained in paragraph 3 of the Complaint since it asserts solely legal conclusions.

4. Defendant denies the allegations contained in paragraph 4 of the Complaint and refers the Court to the purchase orders for their complete terms.

5. Defendant denies the allegations contained in paragraph 5 of the Complaint and refers the Court to the purchase orders for their complete terms.

6. Defendant denies the allegations contained in paragraph 6 of the Complaint and refers the Court to the purchase orders for their complete terms.

7. Defendant admits the allegation contained in paragraph 7 of the Complaint that an irrevocable letter of credit was issued by Israel Discount Bank on or about August 1, 2007, denies the remaining allegations contained in paragraph 7 of the Complaint, and refers the Court to the letter of credit for its terms.

8. Defendant denies the allegations contained in paragraph 8 of the Complaint and refers the Court to the letter of credit for its terms.

9. Defendant denies the allegations contained in paragraph 9 of the Complaint.

10. Defendant denies the allegations contained in paragraph 10 of the Complaint.

11. Defendant denies the allegations contained in paragraph 11 of the Complaint.

12. Defendant admits the allegations contained in paragraph 12 of the Complaint, and further avers that it has no obligation or liability to plaintiff.

ANSWERING THE FIRST CLAIM FOR RELIEF

13. In response to paragraph 13 of the Complaint, defendant repeats and realleges its responses to the foregoing allegations.

14. Defendant denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 14 of the Complaint.

15. Defendant denies the allegations contained in paragraph 15 of the Complaint.

16. Defendant denies the allegations contained in paragraph 16 of the Complaint.

ANSWERING THE SECOND CLAIM FOR RELIEF

17. In response to paragraph 17 of the Complaint, defendant repeats and realleges its responses to the foregoing allegations.

18. Defendant admits the allegations contained in paragraph 18 of the Complaint, and further avers that it has no obligation or liability to plaintiff.

19. Defendant admits the allegations contained in paragraph 19 of the Complaint.

20. Defendant denies the allegations contained in paragraph 20 of the Complaint.

21. Defendant denies the allegations contained in paragraph 21 of the Complaint.

ANSWERING THE THIRD CLAIM FOR RELIEF

22. In response to paragraph 22 of the Complaint, defendant repeats and realleges its responses to the foregoing allegations.

23. Defendant denies the allegations contained in paragraph 23 of the Complaint.

24. Defendant denies the allegations contained in paragraph 24 of the Complaint.

25. Defendant denies the allegations contained in paragraph 25 of the Complaint.

ANSWERING THE FOURTH CLAIM FOR RELIEF

26. In response to paragraph 26 of the Complaint, defendant repeats and realleges its responses to the foregoing allegations.

27. Defendant denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 27 of the Complaint.

28. Defendant denies the allegations contained in paragraph 28 of the Complaint.

29. Defendant denies the allegations contained in paragraph 29 of the Complaint.

ANSWERING THE FIFTH CLAIM FOR RELIEF

30. In response to paragraph 30 of the Complaint, defendant repeats and realleges its responses to the foregoing allegations.

31. Defendant denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 31 of the Complaint.

32. Defendant denies the allegations contained in paragraph 32 of the Complaint.

33. Defendant denies the allegations contained in paragraph 33 of the Complaint.

34. Defendant denies the allegations contained in paragraph 34 of the Complaint.

AFFIRMATIVE DEFENSE

35. Plaintiff has failed to mitigate its alleged damages.

WHEREFORE, defendant respectfully requests that this Court enter an order and judgment:

- (a) Dismissing the Complaint with prejudice;
- (b) Directing plaintiff to pay the reasonable attorney's fees and costs incurred by defendant Sutton Creations, Inc. in defending this action; and
- (c) Granting such other and further relief as may be just and proper.

MATALON & SHWEKY P.C.

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Dated: March 17, 2008